CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY	Germany	REPORT	
SUBJECT	Rumor regarding "Free State of	Berlin" DATE DISTR.	14 January 1955
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	This is UNEVALUATED Information		
	THE SOURCE EVALUATIONS IN THE APPRAISAL OF CO (FOR REY SI	INTENT IS TENTATIVE.	UNULL
1.	The Russians are said to plan to give	notice of termination of	the four-power
	agreement on Berlin. They will then propose new four-power negotiations, during which they will suggest making Berlin into a "free state".		
	Peter Florin of the SED Central Commi		th members of
	the Soviet Control Commission, is alleged to have worked out, some three or four months ago, the concrete plans for the creation of the free state. The plans are said to provide for every detail; for instance:		
	a. There would be no rotation in the chairmanship of the Allied supervisory		
	administration. b. The free state should have its own uniform currency.		
	c. The free state would be completely isolated from East German territory, with access between Berlin and East Germany only by a very restricted		
	number of crossing points. d. The East German government would be moved to Leipzig.		
	e. Otto Nuschke would be the chief representative of East Germany in the free state administration.		
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3.	Nuschke is still in Moscow and is no		0574
	Comment: Parts of the above re European newspapers, on the basis of	eport have previously apper information of unknown re	ared in several
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